

# Legislative Fiscal Bureau

## Fiscal Note

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HF 654 - Foundry Mold Sales Tax Exemption (LSB 1455 HV.1)

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Fiscal Note Version — Amendment H-1281

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### **Description**

Amendment H-1281 removes sand and chemicals from the foundry sales tax exemption proposed in House File 654.

### **Fiscal Impact**

Removing sand and chemicals from the sales and use tax exemption proposed by Amendment H-1281 to HF 654 would reduce the Bill's impact on General Fund revenues. The fiscal impact of Amendment H-1281 would be a reduction in General Fund revenues of \$133,000 in FY 2004 and \$138,000 in FY 2005. Similar reductions would occur in future fiscal years.

Also, the retroactive application of the exemption (mold and core making equipment only) contained in HF 654 would reduce General Fund net revenues in FY 2004 by an additional \$800,000. The fiscal impact of HF 654, as amended by H-1281, would result in a total General Fund sales tax reduction of approximately \$933,000 annually.

The tax exemption could also impact those local governments with a local option sales tax. House File 654, as amended by H-1281, could reduce local sales tax revenues by \$27,000 per year.

### **Sources**

Department of Revenue and Finance  
U.S. Census Bureau

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/s/ Dennis C Prouty

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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